



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to developmental disabilities services providers.

Government Unit(s) Affected: Department of Human Services

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 1,821,587	\$ -	\$ -	\$ 1,821,587	\$ 3,643,174	14	10.50
Total Fiscal Impact	\$ 1,821,587	\$ -	\$ -	\$ 1,821,587	\$ 3,643,174	14	10.50
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Department of Human Services	\$ 2,257,062	\$ -	\$ -	\$ 2,257,062	\$ 4,514,124	14	14.00
Total Fiscal Impact	\$ 2,257,062	\$ -	\$ -	\$ 2,257,062	\$ 4,514,124	14	14.00

Measure Description

The measure requires the Department of Human Services (DHS) to revoke licenses, certificates, or endorsements from providers of community-based services to individuals with intellectual or developmental disabilities in certain circumstances.

Fiscal Analysis

DHS is currently responsible for the regulation of community-based services and enforces rules through progressive discipline. This measure will remove the option for progressive discipline and require DHS to revoke licenses, certificates, or endorsements for certain violations. As a result, a full investigation will be required for each qualified circumstance. The agency anticipates this change will increase overall workload, including the number of administrative appeals and hearings. Approximately 1,187 providers that would be subject to this measure, with an additional 585 prospective providers in queue.

The estimated fiscal impact of the measure is \$3.6 million total funds and fourteen full-time permanent positions (10.50 FTE) in 2025-27. New positions will cost \$2.7 million total funds and include:

- Six Compliance Specialist 3 positions for investigations, processing, revocations and serving as hearing representatives in contested cases.
- Two Business Operation Manager 1 positions, one to oversee licensing and corrective actions and one for operations. These positions will develop policies and procedures and provide direct supervision of the staff.
- One Compliance Regulatory Manager 1 position to organize and manage the operations of the Hearings staff.
- One Government Auditor 3 position to review audit findings, identify billing mismanagement manage civil penalties and other enforcement actions.

- One Program Analyst 2 position to track unqualified providers, assist with evidence gathering and provide technical assistance.
- Two Administrative Specialist 1 positions to manage notifications of issued deficiencies and their corrections, meeting coordination, and database management.
- One Administrative Specialist 1 position to monitor the preclusion list and conduct research.

DHS anticipates an increase in Department of Justice (DOJ) costs due to contested cases. While the exact cost will be dependent on the actual number of cases that require a hearing, DHS currently sends 250 serious violation letters per year and is using this as the basis for the number of hearings they'd expect to attend should the measure pass. The increase in DOJ costs is projected to be \$950,000.

Relevant Dates

The measure takes effect on January 1, 2026.